



CONGRESSMAN HENRY A. WAXMAN NEWS

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May 27, 1981

WAXMAN URGES RESISTANCE TO OPEC OIL PRICING

According to Los Angeles Rep. Henry A. Waxman, American oil and gas consumers do not have to be at the mercy of the oil-producing countries. The Congressman is a co-author of a bill which would greatly reduce the power of OPEC -- the Organization of Petroleum Exporting Countries.

The Waxman bill would create a non-profit federal corporation. This corporation would be the only American entity allowed to import crude oil. It would bargain with the oil producing countries on behalf of all American petroleum companies and users.

The federal non-profit oil agency proposed by Waxman would coordinate oil storage and take steps to prevent shortages and price increases in the event of a national emergency or a crisis in the Middle East.

Waxman said,

"Right now OPEC is in the weakest position it has been in since it was created. Despite the fact that neither Iran or Iraq is exporting significant amounts of oil, the oil producers are processing more oil than the world can consume.

"Saudi Arabia and other major oil exporting countries are in a state of panic at the speed with which the industrial countries have adopted conservation measures, and increased their supply of domestic oil. OPEC's experts are frightened at the extent to which their customers are switching from oil to nuclear power, solar energy, and other energy alternatives. This is the ideal time for the United States to bargain as a single, strong unit rather than as numerous competing private companies."

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Waxman, a major Congressional supporter of Israel, expressed the belief that a decline in OPEC economic clout would alter the balance of power in the Middle East.

"If we can end perpetual American fear of an Arab oil embargo or steep price hikes, we can build support for an enthusiastic and unambiguous pro-Israel foreign policy."

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